STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE CITY OF HUNTINGTON PARK OVERSIGHT BOARD

CITY OF HUNTINGTON PARK CITY COUNCIL CHAMBERS 6550 MILES AVENUE HUNTINGTON PARK, CALIFORNIA, 90255

Wednesday, January 27, 2016

4:00 PM

I. CALL TO ORDER

Chair Pineda called the meeting to order at 4:42 p.m.

II. ROLL CALL

Estevan Padilla, Oversight Board staff, called the roll.

Present: Board Member Luis Buendia, Board Member Carlos Luis, Board

Member Richard Verches and Chair Jhonny Pineda

Absent: Board Member Katherine Hennigan, Board Member Theresa

Villegas and Vice Chair Yolanda Duarte

III. ADMINISTRATIVE MATTERS

1. Approve and authorize the issuance of Tax Allocation Refunding Bonds. (16-0555)

Jan Mazyck, Interim Finance Director, presented the request to authorize the issuance of 2016 Tax Allocation Refunding Bonds. Ms. Mazyck added, the Department of Finance (DOF) determined that the 1994 CDC bonds should have been placed on the Recognized Obligation Payment Schedule (ROPS) instead of the 2004 CDC bonds. There were a variety of issues associated with the 1994 bonds and by refunding the 1994 bonds with 2016 tax allocation bonds there will be significant cash flow savings for the taxing entities. Ms. Mazyck further explained that excess cash flow over the next 6 years would approximate \$6.6 million which could be used to satisfy Internal Revenue Service (IRS) obligations caused by the yield reduction of the 2004 bonds.

The Successor Agency is estimating approximately \$30 million from bond proceeds and the cost of issuance is about \$900,000. Teresa Highsimth, Oversight Board Legal Counsel, questioned if the current

2016 Tax Allocation Bonds replace the 1994 bonds on the ROPS. Fernanda Palacios, Project Manager, confirmed that the new debt service will replace the 1994 bonds on the ROPS. Ms. Highsmith informed the Oversight Board that the DOF may reconsider a few aspects of the bond refunding because some uses of the refinance funding will solely benefit City of Huntington Park.

On motion of Board Member Verches, seconded by Board Member Luis, duly carried by the following vote, the Oversight Board adopted Resolution No. 2016-01, a Resolution of the City of Huntington Park Oversight Board authorizing the Successor Agency to refund certain outstanding Tax Allocation obligations pursuant to Assembly Bills X1 26 and 1484:

Ayes: 4 - Board Member Buendia, Board Member Luis, Board

Member Verches and Chair Pineda

Absent: 3 - Board Member Hennigan, Board Member Villegas

and Vice Chair Duarte

<u>Attachments:</u> <u>SUPPORTING DOCUMENTS</u>

2. Adopt Resolution approving a Loan Agreement between the City and Successor Agency in an amount not to exceed \$1,234,000 (\$800,000 DTSC Loan/\$434,000 General Fund) to pay for costs associated with the cleanup of the Southland Steel property. (16-0562)

Fernanda Palacios, Project Manager, gave a brief overview of the loan agreement between the City of Huntington Park and the Successor Agency. Ms. Palacios indicated that the in order for the Department of Finance (DOF) to approve the loan the Successor Agency has to show a shortage in funding from Redevelopment Property Tax Trust Fund (RPTTF). Board Member Verches inquired why the Successor Agency seeking approval for a loan that has been already received. Ms. Palacios clarified that the funds have been spent; however, there are outstanding loans to the Department of Toxic Substances Control (DTSC) and the City's General fund that must be reimbursed because the Successor Agency did not receive sufficient RPTTF to cover said costs.

On motion of Board Member Verches, seconded by Board Member Luis, duly carried by the following vote, the Oversight Board adopted Resolution No. 2016-02, a Resolution of the Oversight Board to the Successor Agency to the former Community Development Commission of the City of Huntington Park Authorizing a Loan Agreement between the City of Huntington Park and the Successor Agency to the former

Community Development Commission of the City of Huntington Park (Successor Agency Loan Agreement No. 15-16B:1):

Ayes: 4 - Board Member Buendia, Board Member Luis, Board

Member Verches and Chair Pineda

Absent: 3 - Board Member Hennigan, Board Member Villegas

and Vice Chair Duarte

<u>Attachments:</u> <u>SUPPORTING DOCUMENTS</u>

3. Adopt resolution approving an amendment to a Professional Services Agreement with Geosyntec Consultants (16-0564)

Fernanda Palacios, Project Manager, introduced an amendment to a Professional Services Agreement with Geosyntec Consultants pertaining to additional required services pertaining to the Southland Steel site. The Department of Toxic Substances Control (DTSC) requested the Successor Agency provide additional documentation addressing public notices, Post-Remedial Risk Assessment Report, and the preparation of a Soil Management Plan. Ms. Palacios indicated that the new recommendations from DTSC were not part of the original scope of work under the current agreement with Geosyntec; therefore, consequently, an amendment to the contract with Geosyntec is needed of approximately \$24,550 in order to complete the additional documentation.

On motion of Board Member Luis, seconded by Board Member Verches, duly carried by the following vote, the Oversight Board adopted Resolution No. 2016-03, a Resolution of the Oversight Board to the Successor Agency to the former Community Development Commission Development Commission of the City of Huntington Park authorizing a fourth amendment to the Professional Services Agreement between the Successor Agency to the former Community Development Commission of the City of Huntington Park and Geosyntec Consultants, Inc. for the remediation and clean-up of the Southland Steel property:

Ayes: 4 - Board Member Buendia, Board Member Luis, Board

Member Verches and Chair Pineda

Absent: 3 - Board Member Hennigan, Board Member Villegas

and Vice Chair Duarte

<u>Attachments:</u> <u>SUPPORTING DOCUMENTS</u>

4. A Resolution approving the Administrative Budget for the Successor Agency for the period of July 1, 2016 through June 30, 2017. (16-0556)

Fernanda Palacios, Project Manager, presented the Administrative Budget for the period of July 1, 2016 through June 30, 2017. Ms. Palacios indicated the total amount requested for administrative expenses is approximately \$185,000 for the fiscal year. Board Member Buendia questioned if the administrative costs for the Successor Agency is reasonable and sufficient to cover all dissolution activities. Ms. Palacios assured the Board that there has been a reduction operational hours and costs, but the Successor Agency will manage based on the completion of the sale of Southland Steel and the refunding of the bonds.

On motion of Board Member Verches, seconded by Board Member Luis, duly carried by the following vote, the Oversight Board adopted Resolution No. 2016-04, a Resolution of the Oversight Board of Directors for the Successor Agency to the Community Development Commission of the City of Huntington Park approving a proposed Administrative Budget for the fiscal period from July 1, 2016 through June 30, 2017 and taking certain related actions:

Ayes: 4 - Board Member Buendia, Board Member Luis, Board

Member Verches and Chair Pineda

Absent: 3 - Board Member Hennigan, Board Member Villegas

and Vice Chair Duarte

Attachments: SUPPORTING DOCUMENTS

 A Resolution approving a Recognized Obligation Payment Schedule (ROPS 16-17) for the Successor Agency of the Community Development Commission of the City of Huntington Park. (16-0557)

Fernanda Palacios, Project Manager, gave an overview of the Recognized Obligation Payment Schedule (ROPS 16-17) expenditures for the fiscal year from July 1, 2016 through June 30, 2017. The majority of the expenditures are dedicated towards debt service payments and project expenses for the Southland Steel site. The total amount for enforceable obligations is approximately \$15.8 million and the Successor Agency is requesting about \$11.8 million in Redevelopment Property Tax Trust Fund (RPTTF) money and an additional \$4 million originate from the sale proceeds for Southland Steel. In addition, Ms. Palacios explained that the Successor Agency included in the ROPS the funding shortage of approximately \$2.3 million for the 1994 Tax Allocation Refunding Bonds, in attempts to request it from the Department of Finance (DOF).

On motion of Board Member Verches, seconded by Board Member Luis, duly carried by the following vote, the Oversight Board adopted Resolution No. 2016-05, a Resolution of the Oversight Board for the Successor Agency to the Community Development Commission of the City of Huntington Park approving a Recognized Obligation Payment Schedule for the fiscal year of July 1, 2016 through June 30, 2017, and taking certain related actions:

Ayes: 4 - Board Member Buendia, Board Member Luis, Board

Member Verches and Chair Pineda

Absent: 3 - Board Member Hennigan, Board Member Villegas

and Vice Chair Duarte

Attachments: SUPPORTING DOCUMENTS

IV. MISCELLANEOUS

6. Public Comment (opportunity for Member of the Public to address the Board on items of interest that are within the Jurisdiction of the Board). (16-0558)

There were none.

7. Chair and Board Member Comments. (16-0559)

There were none.

8. Matters not posted on the agenda (to be presented and placed on the Agenda for a future meeting). (16-0560)

There were none.

9. Adjournment of the Special Meeting of January 27, 2016. (16-0561)

The meeting adjourned at 5:38 p.m.